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Summer 2009 State Heath Plan Amendment

2 MRSA § 101(1) states that, "The Governor or the Governor's designee shall…(B)… report to the public assessing the progress toward meeting goals of the plan and provide any needed updates to the plan."

The purpose of this amendment is to update the plan and implement Recommendation #9 from the ACHSD's April 2009 cost driver report:

"Expand CON criteria in the State Health Plan to address health care variation and high emergency department use. The ACHSD should elaborate on the State Health Plan's CON criteria to specify that higher priority will be given to projects that explicitly address variation issues in the applicant's HSA as shown in the Health Dialog report and high ED-use shown in the ED report. Further, the Department should use the Health Dialog and ED reports in assessing CON applications in regards to the statutory requirements of 22 MRSA § 335. This should apply to review starting in January 2010."[1]

The Health Dialog variation report and the ED report were both initiated by the 2008-09 State Health Plan.[2]

[1] Specifically, the Department should use the Health Dialog and ED reports in assessing CON applications in regards to the following statutory requirements of 22 MRSA 335:

- Section 1: "the commissioner shall approve an application for a certificate of need if the commissioner determines that the project…B. Is consistent with and furthers the goals of the State Health Plan…[and]… D. Does not result in inappropriate increases in service utilization, according to the principles of evidence-based medicine adopted by the Maine Quality Forum,"
- Section 7: " the commissioner shall issue a certificate of need if the commissioner determines and makes specific written findings regarding that determination that…D. The proposed services are consistent with the orderly and economic development of health facilities and health resources for the State as demonstrated by: (1) The impact of the project on total health care expenditures after taking into account, to the extent practical, both the costs and benefits of the project and the competing demands in the local service area and statewide for available resources for health care."

[2] The variation analysis appears on pp. 56-57 of the Plan; the ED study appears on pp. 54-6 of the Plan.

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Amendment to CON Priority #2, by replacing it with the following:

2. The applicant has a plan to reduce potentially avoidable and non-emergent ER use. While there is no "right" rate of utilization, data with regard to potentially avoidable and non-emergent emergency room use has important uses for CON application and review. It may be an indication that the entire local health care delivery system is not providing the right care at the right place at the right time to treat a person efficiently and effectively. All HSAs – whether above or below the state median – have room for improvement. Accordingly, ***applicants that demonstrate how their project and/or other new or expanded activities proposed by the applicant will lessen potentially avoidable and non-emergent ER use in their HSA will receive higher priority in CON review than if it does not.***

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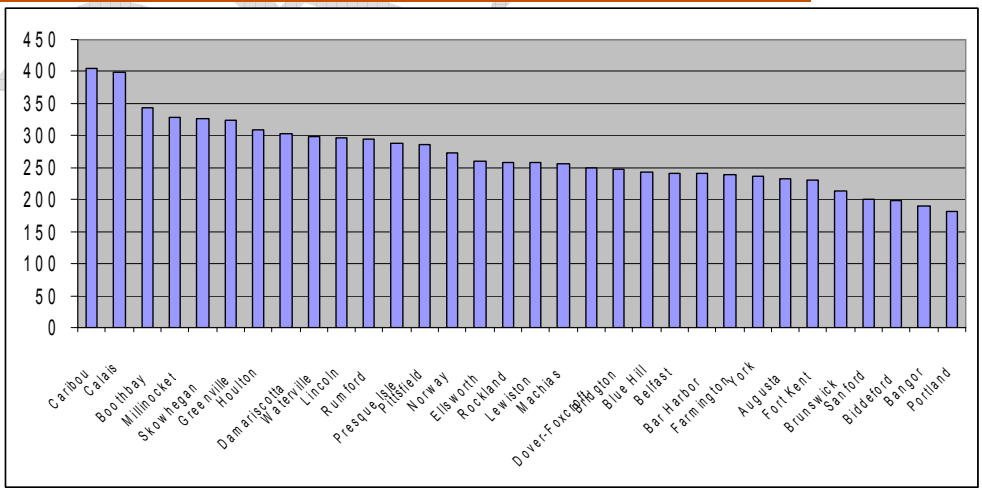
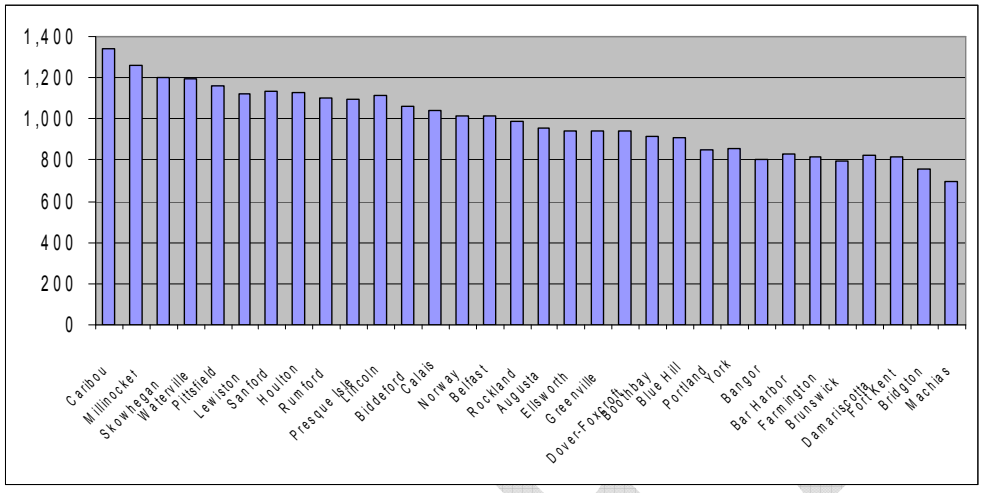
A study by the Muskie School and the Maine Health Information Center with funding from the Maine Health Access Foundation found that Maine's emergency department use in 2006 was, in aggregate, about 30% higher than the national average, while Health Dialog found that approximately 75% of Maine's ED-use is potentially avoidable, with costs of up to $115 million. The Muskie study also showed variation in avoidable ED use by payor and HSA, as shown in the charts below (full report is available at www.maine.gov/gohpf).

The Department will use the data in the Muskie report to assist in evaluating the need for a plan to reduce non-emergent ER use in the applicant's HSA. An example of how the Department might use that information is that it could require an applicant in a high-use HSA to implement a plan as a condition of approval.

Age-Adjusted Private Pay Outpatient ED Visits per 1000 Members, 2006



Age-Adjusted MaineCare Outpatient ED Visits per 1000 Members, 2006



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Add CON Priority #10, as follows:

The Health Dialog study identified significant unwarranted variation that, if reduced, could save up to $300 - 400 million each year. Specifically, the report showed utilization rates for each payor category (Medicare, MaineCare, and commercial) in each of 24 geographic HSAs for the following four potentially avoidable inpatient admissions[3] and five high-cost, high-variation outpatient service categories (the amounts shown below are statewide totals (in millions) in 2006 across all HSAs and payors in the study):

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Inpatient			
	total $ (M)	potentially avoidable	
Cardiac-Circulatory	$193.3	$56.5	29%
Musculoskeletal	$114.5	$18.1	16%
Gastrointestinal	$86.9	$37.2	43%
Respiratory	$72.4	$52.0	72%
All Other	$448.9	$119.8	27%
Total	$916.0	$283.6	31%

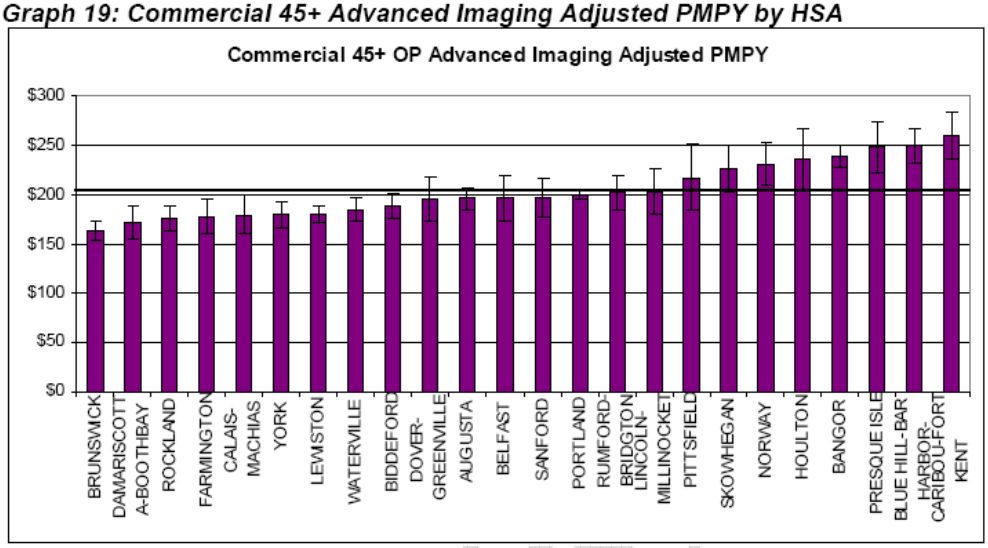
Outpatient	
5 highest cost/var. services	$304.8
Lab Tests	$89.6
Advanced Imaging	$66.6
Standard Imaging	$52.1
Echography	$32.4
Specialist Visits	$64.1
All other OP	$1,011.4
Total OP	$1,316.2

The charts below provide examples of the data shown in the report. The first example shows that annual commercial spending per person age 45 and over on advanced imaging (i.e., MRIs, CT scans, etc) ranges from a low of just over $150 in the Brunswick HSA to

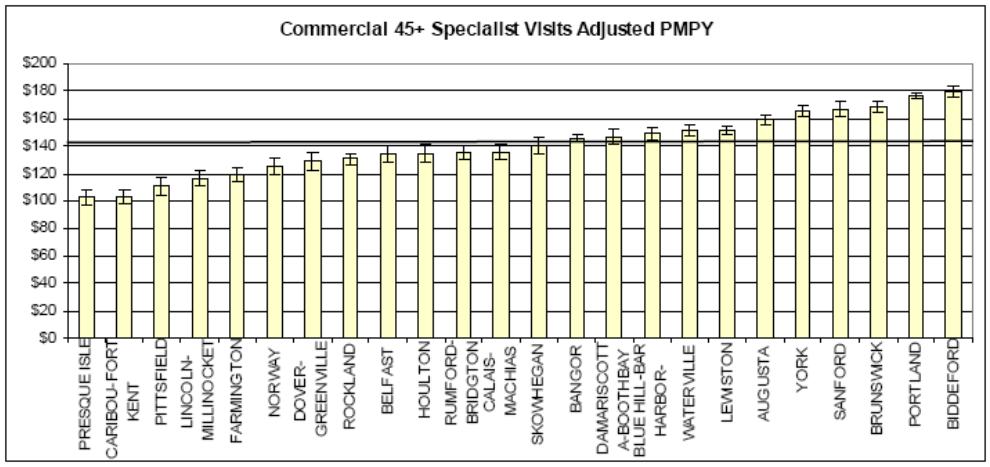
[3] Potentially avoidable does not mean hospitals did anything inappropriate in admitting the patient. Rather, it means that for a range of reasons, the entire local health care delivery system is not providing the right care at the right place at the right time to treat a person efficiently & effectively.

a high of just over $250 in Caribou-Fort Kent. The second example shows that annual commercial spending per person age 45 and over on specialist visits ranges from a low of just over $100 in Presque Isle to a high of about $180 in Biddeford. The full report – available at www.maine.gov/gohpf – includes similar charts for each of the service areas in the tables above, one for each payor.

Graph 19: Commercial 45+ Advanced Imaging Adjusted PMPY by HSA



Graph 22: Commercial 45+ Specialist visits Adjusted PMPY by HSA



With regard to outpatient services – for which national research has shown that supply drives unwarranted utilization – all ***applicants seeking approval for a project that would add high-cost, high variation outpatient services shall address whether their HSA's rate of utilization of those services is warranted by the population's health needs and***

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how the project will impact utilization. Any project – regardless of whether it would add high-cost, high variation services – will receive higher priority in CON review if it includes actions to lessen unwarranted utilization of high-cost, high variation outpatient services in the applicant's HSA or includes a credible plan to evaluate the impact of the applicant's proposal to less potentially avoidable admissions and unwarranted utilization of high-cost, high-variation outpatient services and report those outcomes to CONU.

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